



**THE CALIFORNIA DEBT AND  
INVESTMENT ADVISORY COMMISSION**

**Presents**

**MECHANICS  
OF A BOND SALE**

**Hilton San Diego Mission Valley Hotel  
San Diego, California  
March 22-23, 2007**

**California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400  
Sacramento, CA 95814**

**FIRST CLASS**

**Mechanics of a Bond Sale**

## ABOUT THE PROGRAM

The **Mechanics of a Bond Sale** is a one and one-half day seminar designed to provide local public officials and their staff with an in-depth coverage of the debt issuance process. The seminar covers a broad range of topics related to the process of bond issuance. Included is a discussion of debt management policies and the plan of finance as the critical aspect of planning for adequate debt. In addition, participants will learn how to structure a financing once the decision to issue is made. The program will also provide information on how to best secure a bond issuance through the use of credit enhancement. The preparation and sale of a bond includes important legal documents; therefore, experts will discuss various documents that should be drafted during the debt issuance process as well as for the investment of bond proceeds. The second day of the program will cover the responsibilities in marketing and pricing an issue, federal arbitrage rules and requirements, and instruments in which bond proceeds may be invested.

## WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the issuance of public debt. Representatives of cities, counties, special districts, school districts, redevelopment agencies, and elected officials are especially encouraged to attend.

## THE COMMISSION

California Debt and Investment Advisory Commission (CDIAC) provides information, education, and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California; administers a continuing education program; publishes a monthly newsletter with debt issuance data and informative articles; and conducts research to develop reports, guidelines, and briefs on topical issues.

## GENERAL INFORMATION

Registration is limited to public agency officials and their staff. No walk-in registrations will be accepted. Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. No refunds will be honored for cancelled registrations after the seminar registration deadline of February 22, 2007. Late registration will be accepted, if space is available.

## LODGING

Hotel reservations should be made directly with the Hilton San Diego Mission Valley, located at 901 Camino Del Rio South, San Diego. Call (619) 543-9000 early for reservations. A special room rate of \$110 is available to seminar participants. When making reservations, please request the group rate for the **California Debt and Investment Advisory Commission**. Once CDIAC's room block is filled, the hotel will not honor the contracted rate. The deadline for the special hotel reservation rate is February 22, 2007.

CDIAC complies with the Americans with Disabilities Act (ADA).

CDIAC is an Minimum Continuing Legal Education (MCLE) approved provider. CDIAC's educational programs are also accepted by many certification entities as "certifiable."

## Mechanics of a Bond Sale March 22-23, 2007 SEMINAR REGISTRATION FORM

To register, go on-line at **[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)** or complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of registration fee must be enclosed.** No refunds will be honored after the seminar registration deadline of **February 22, 2007**. Late registrations will be accepted only if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

Name \_\_\_\_\_

Title \_\_\_\_\_

Agency \_\_\_\_\_

Street \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Telephone \_\_\_\_\_ FAX \_\_\_\_\_

Email \_\_\_\_\_

☐ Check here if you require vegetarian meals.

**Visit our website at  
[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)  
to register on-line and pay with VISA or MasterCard.**

**My interests are in :** ☐ Public Debt Issuance

(*please check one*) ☐ Public Investments

☐ Debt and Investments

☐ **Registering for just the Mechanics of a Bond Sale \$175.00**

☐ **Please also include the updated *California Debt Issuance Primer*\* for an additional \$25.00**

Enclosed is my check for a total of \$ \_\_\_\_\_

Make check(s) payable to:

**California Debt and Investment Advisory Commission**

Mail your registration with payment to:

Seminar Programs

California Debt and Investment Advisory Commission

915 Capitol Mall, Room 400

Sacramento, CA 95814

Phone: (916) 653-3269

\*The *California Debt Issuance Primer (Primer)* is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the *Primer* provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Please allow approximately 2 weeks from date of order for delivery.

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*Presents*

## Mechanics of a Bond Sale

Hilton San Diego Mission Valley, San Diego, California

March 22-23, 2007

*AGENDA*

### Thursday, March 22, 2007

**8:00 AM**      **Registration and distribution of seminar materials**  
*Complimentary rolls and coffee*

**8:30 AM**      **Seminar Welcome and Opening Remarks**  
*California Debt and Investment Advisory Commission*

#### **SESSION I**

**8:45 AM**      **Developing A Debt Management Policy**  
This session covers the purpose of and steps to develop a debt management policy. It also highlights the importance of debt capacity and an affordability analysis. The speakers provide guidance on policy maintenance and updates, as well as real life examples of how local government officials have used their debt management policies.

*Jay Goldstone, Chief Financial Officer, City of San Diego*  
*Emad Mirgoli, Vice President, Stone & Youngberg LLC*

**10:00 AM**      **Break**

#### **SESSION II**

**10:15 AM**      **The Plan of Finance**  
This session covers an important planning document issuers utilize in the debt issuance process. From the start, it is essential to determine the best approach an organization can take when planning for capital structures and projects. A plan of finance is therefore conducted and incorporated into the debt documents. An underwriter and financial advisor will explain the components and justification behind this tool.

*Kimberly Quinones, Managing Director, Ramirez & Company, Inc.*  
*Janice Mazyck, Managing Director, Public Financial*

### Friday, March 23, 2007

**8:00 AM**      **Check-in**  
*Complimentary rolls and coffee*

#### **SESSION VI**

**8:30 AM**      **Marketing and Pricing an Issue**  
This session covers the responsibilities in marketing and pricing an issue. A financial advisor and a local government official will discuss how market forces can impact the marketability and pricing of an issue and the steps an issuer can take to ensure bonds are issued at the best price.

*John Bonow, Managing Director, PFM Inc.*

**10:00 AM**      **Break**

#### **SESSION VII**

**10:15 AM**      **Understanding Arbitrage**  
This session focuses on federal arbitrage rules and requirements. Speakers will discuss the different arbitrage restrictions and rebate requirements, exemptions to federal limitations, which funds are subject to arbitrage regulations, when to calculate and how to prepare for the calculation of arbitrage rebate liability, and current “yield-burning” issues. Speakers also will walk participants through a real-life arbitrage rebate calculation.

*Anne Pelej, Vice President & Division Manager, MuniFinancial*  
*Carol Lew, Shareholder, Stradling Yocca Carlson & Rauth*

#### **SESSION VIII**

**11:15 AM**      **Investing Bond Proceeds**

*Management (PFM) Inc.*

**11:30 AM Luncheon for all participants and speakers**

**SESSION III**

**12:45 PM Structuring the Financing**

This session covers the key points to consider in structuring a financing once the decision is made to issue debt and the plan of finance has been determined. An underwriter addresses the process of identifying debt financing alternatives, sizing the debt issue, calculating and scheduling debt service, and determining the many features of the issue. In addition, the pros and cons between fixed versus variable rate financing will be discussed.

*Scott Nagelson, Principal, Banc of America Securities LLC*

**2:15 PM Break**

**SESSION IV**

**2:30 PM Approaches to Credit Enhancement**

This session examines different approaches to credit enhancement. Speakers will address the purpose of credit enhancement and its role in the rating determination. Also, speakers will distinguish between credit enhancement alternatives (including bond insurance, letter of credit, and revenue intercept programs), when it makes sense to purchase a credit enhancement, who provides credit enhancement, and how to determine which type of credit enhancement is right for a given bond issue.

*Dennis Coleman, Finance Director/Treasurer, City of Solana Beach*

*Nikolai Sklaroff, Director, Citigroup Global Markets Inc.*

**3:30 PM Break**

**SESSION V**

**3:45 PM The Legal Documents**

This session provides an overview of the roles and responsibilities of the issuer and the financing team in preparing the legal documents for the debt issuance. Bond counsel addresses the process of negotiating the terms of the documents, the importance of issuer involvement in drafting the Preliminary and Final Official Statements, and the commitments contained in these documents.

*Lisa Greer Quateman, Managing Partner, Quateman LLP*

**5:00 PM Reception for all participants and speakers**

This session covers the instruments in which bond proceeds may be invested. An investment advisor and bond counsel offer guidance on selecting the appropriate investment given the characteristics of the issue and arbitrage considerations, as well as the documentation of investment considerations that should be addressed before, during, and after a bond sale. Speakers will discuss the role of an agency's overall investment objectives and investment policies in the debt issuance process, as well as the importance of on-going monitoring.

*Craig Underwood, President, Bond Logistix LLC*

*Victor Hsu, Partner, Fulbright & Jaworski LLP*

**12:15 PM**

**Seminar Closing and Evaluation**